

Natural Resources, Agriculture, and Environmental Quality Appropriations Subcommittee



Oil and Gas Program
October 19, 2020

We Are Improving!



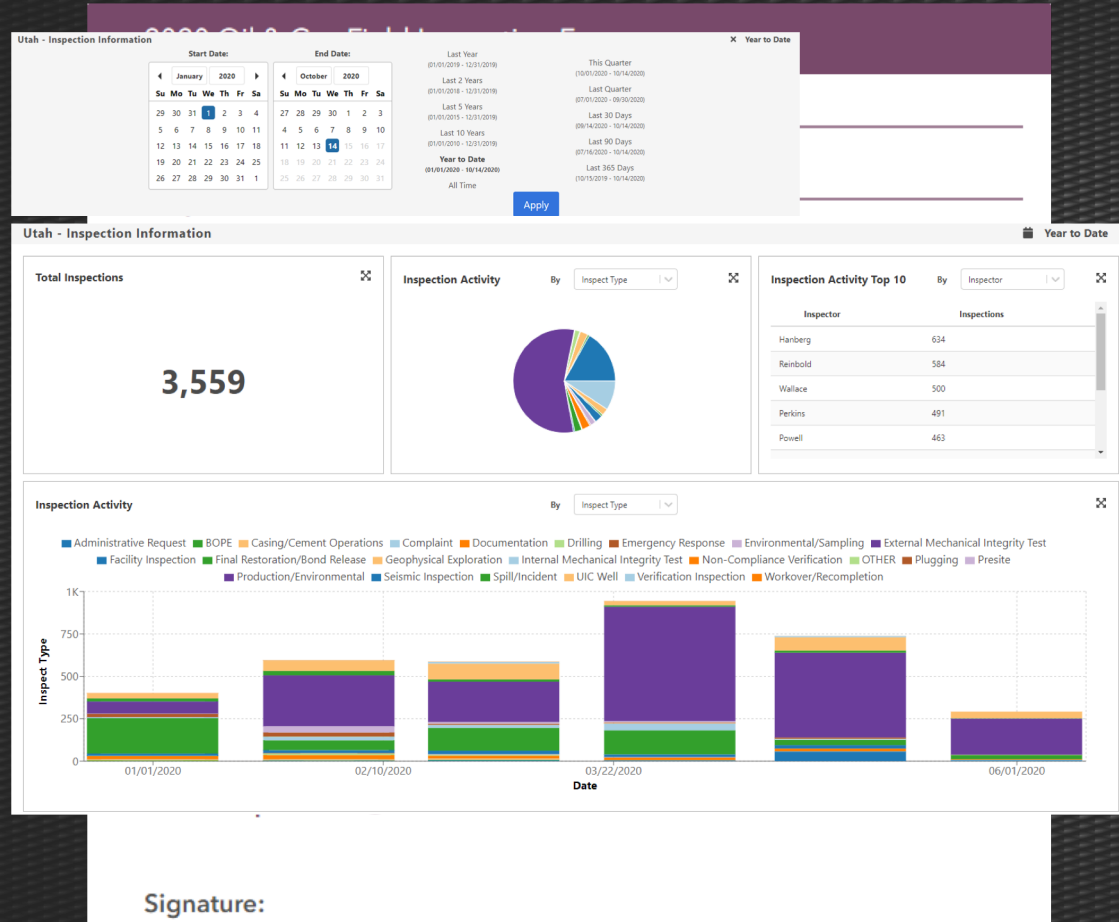
- **Enforcement Philosophy**

- **Workflow Prioritization**

- **Financial Management**

Future Plans

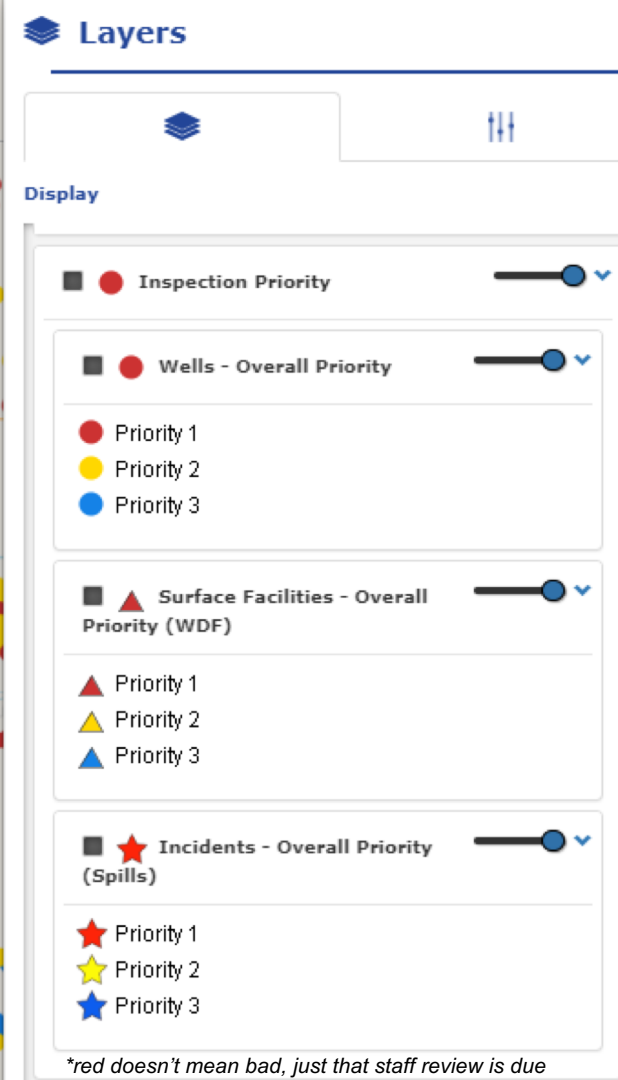
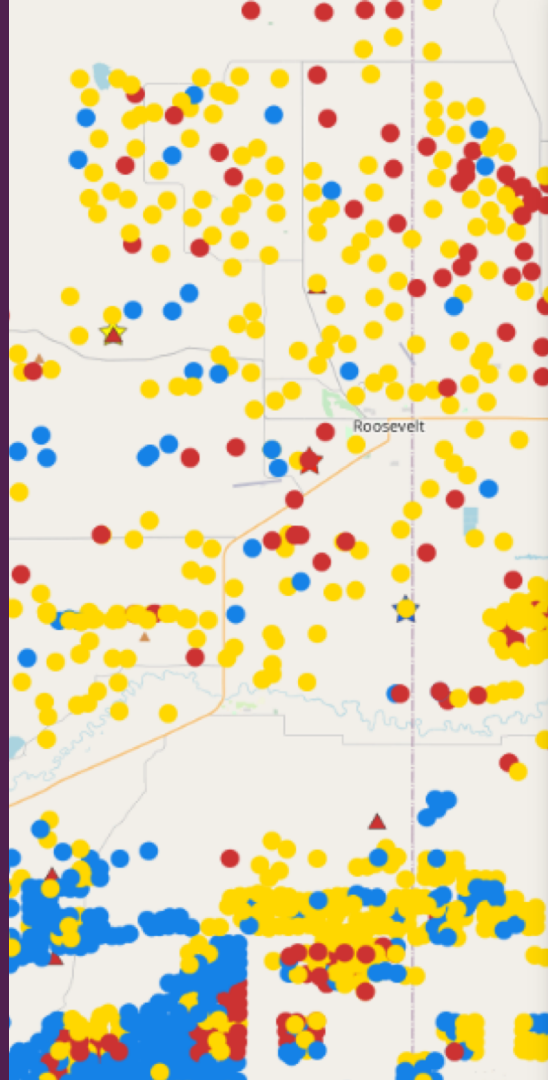
- Electronic Forms
- User Interface



Value of Prioritization Modules

Why Prioritization Modules

- Modules do the repetitive work
- Highly skilled workforce spend time making decisions
- Leadership knows how the system is operating

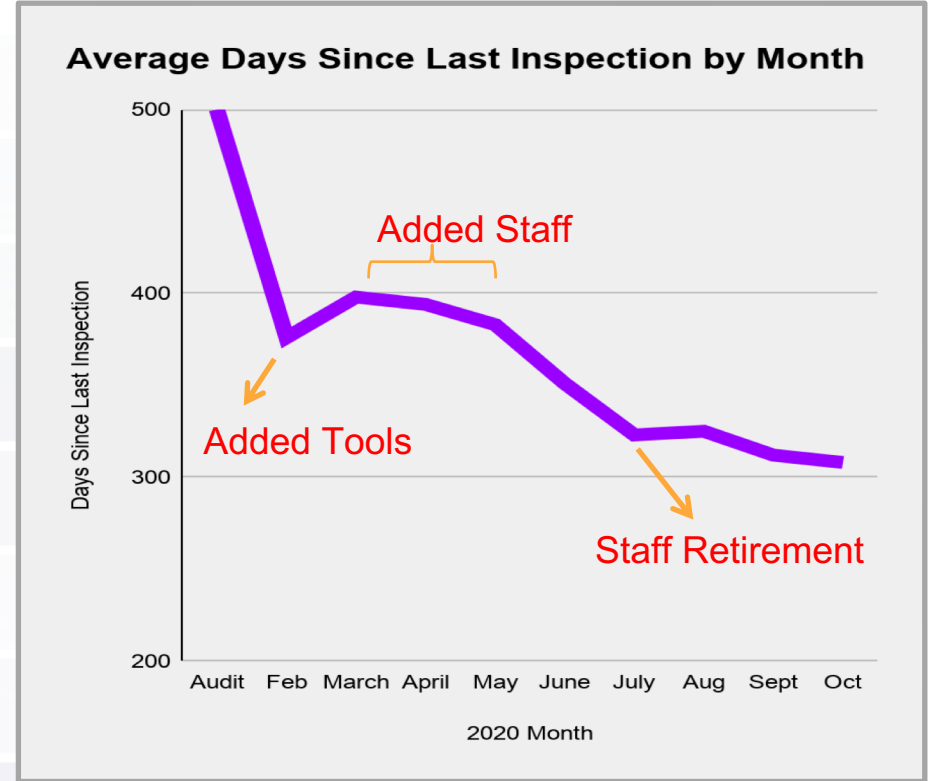
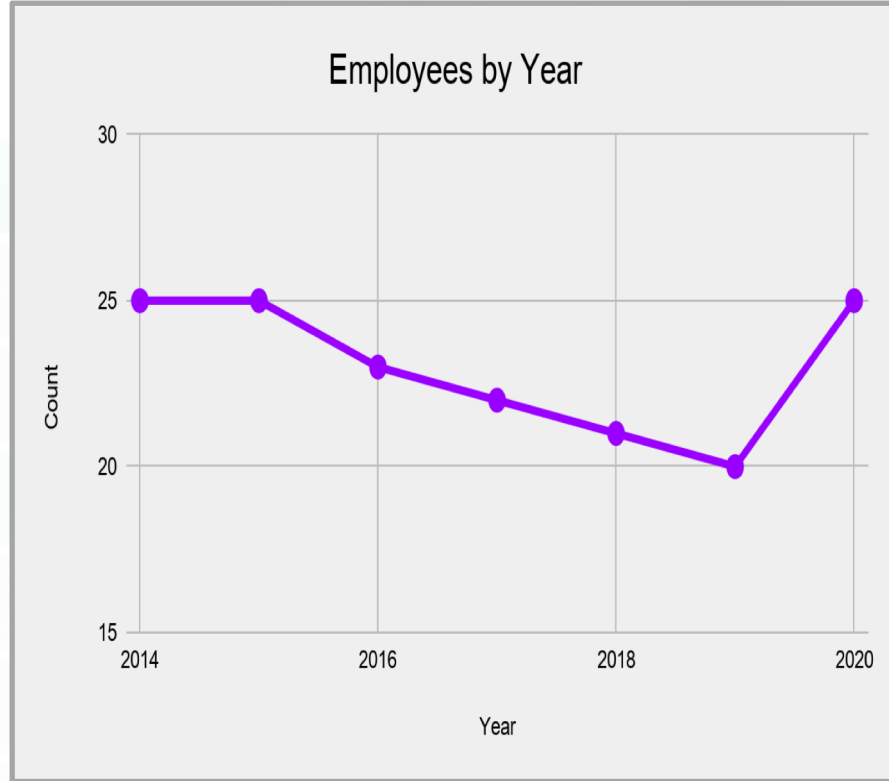


**red doesn't mean bad, just that staff review is due*

Data-Driven Prioritization Modules Have Improved Oil and Gas Programs Regulatory Response

Well Status	Avg Time for Inspections Audit Report Nov. 2019 (Days)	Avg Time for Inspections Sept. 2020 (Days)	Percentage Improvement
Drilling	246	172	30%
Producing	403	318	21%
Drilling Operations Suspended	476	107	77%
Shut-in	539	300	44%
Temporarily Abandon	835	185	78%
Overall	500	312	38%

Increased Staffing Correlates to Shorter Inspection Intervals

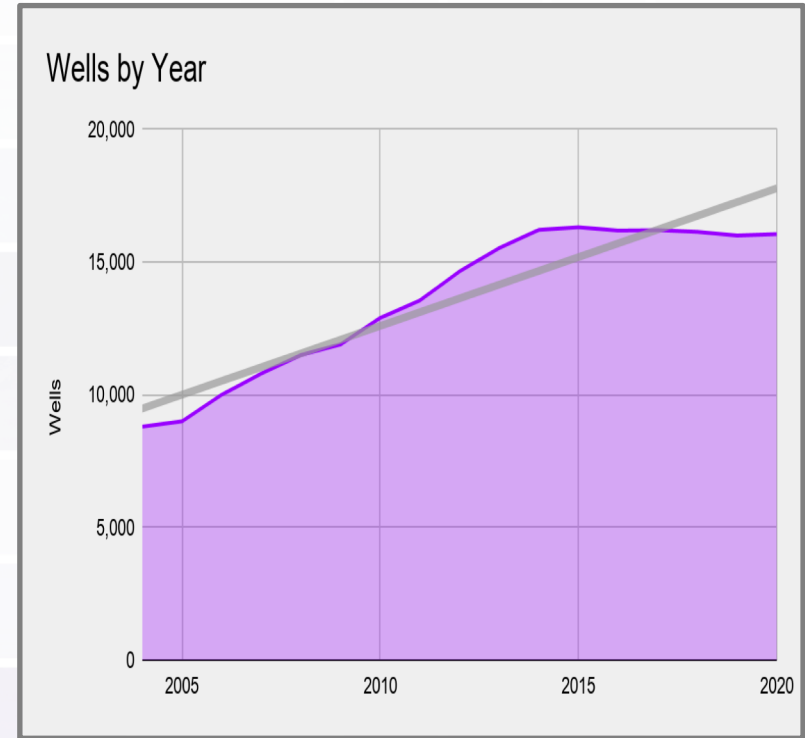
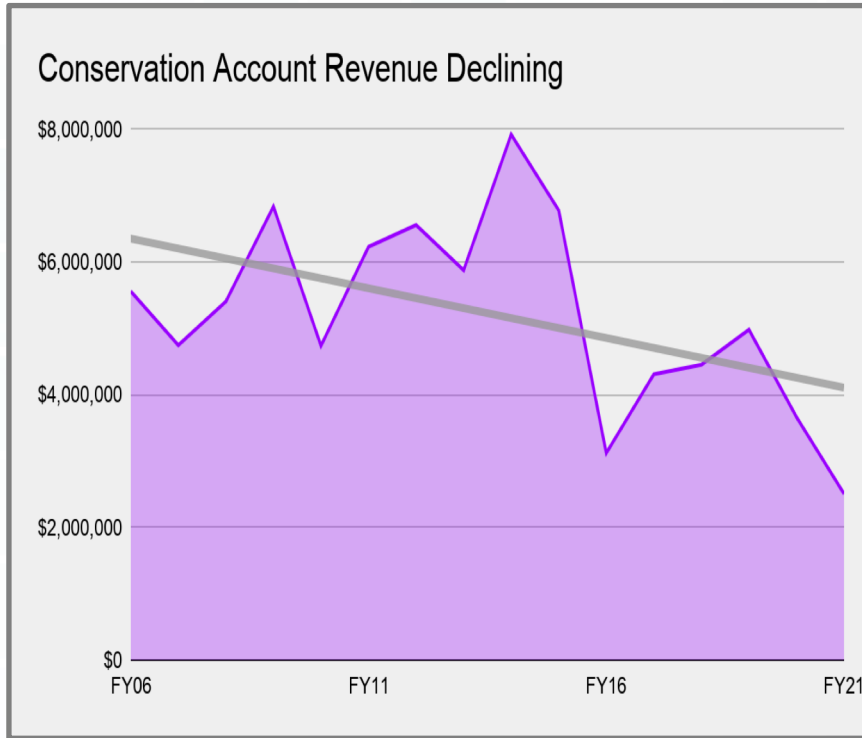


Overall Revenue Isn't Forecasted to Fund Program

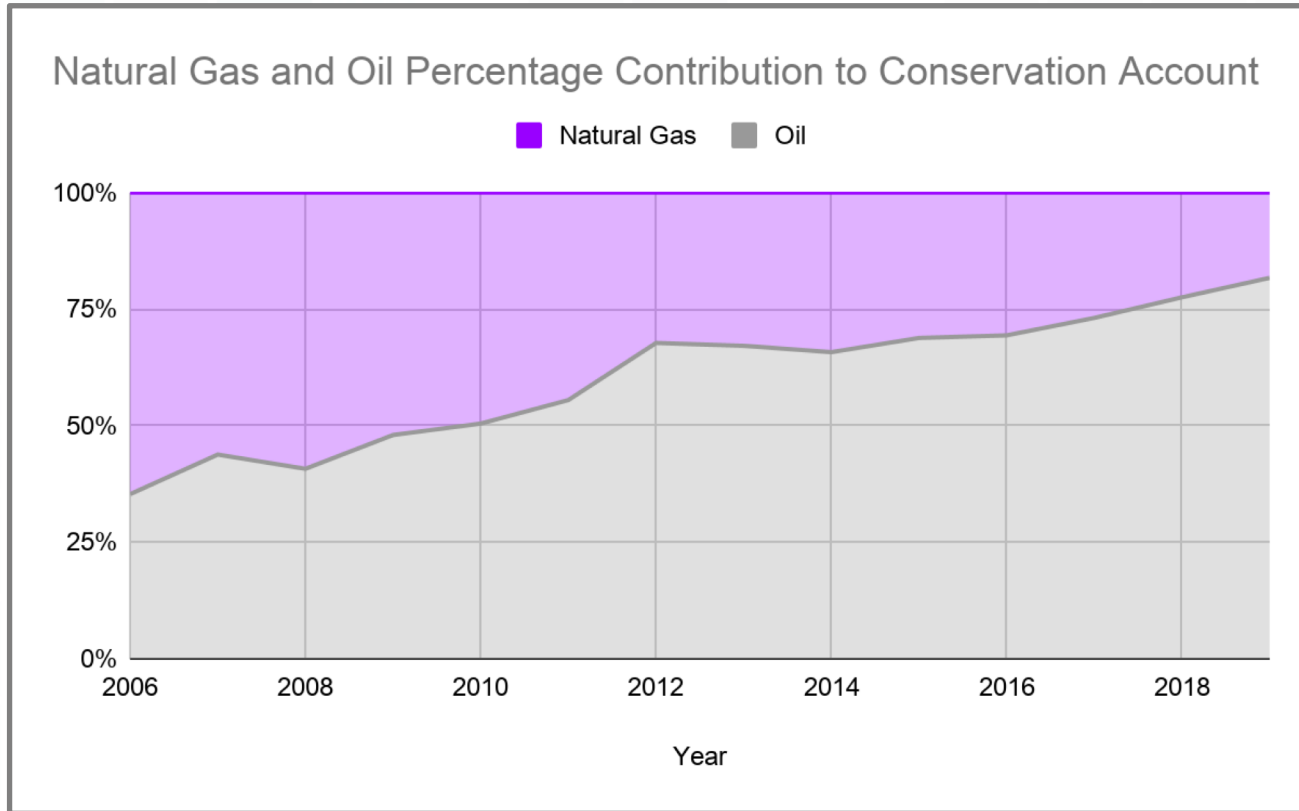
Fiscal Year	2018	2019	2020	2021*
Total Revenues	\$4,242,400	\$3,832,400	\$3,420,100	\$2,522,562
Total Expenditures	\$2,480,200	\$2,577,800	\$3,048,700	\$3,548,000
Unexpended Balance	\$1,762,200	\$1,254,600	\$371,400	-\$1,025,438

**Fiscal Year 2021 Total Revenues and Unexpended Balance based on Oil and Gas Program forecast for conservation account revenue.*

Funding is Trending Downward While Work Load is Trending Upward

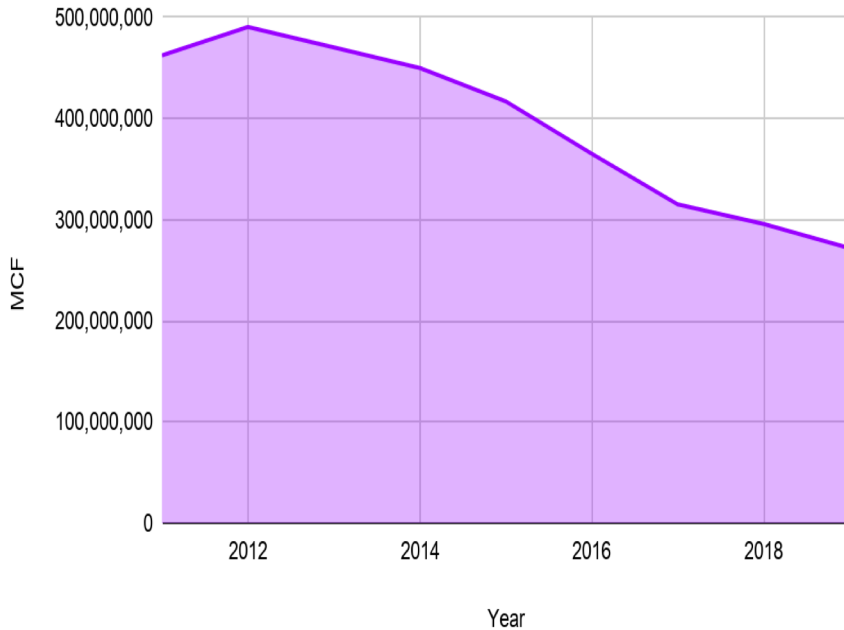


Why has Conservation Account Declined?

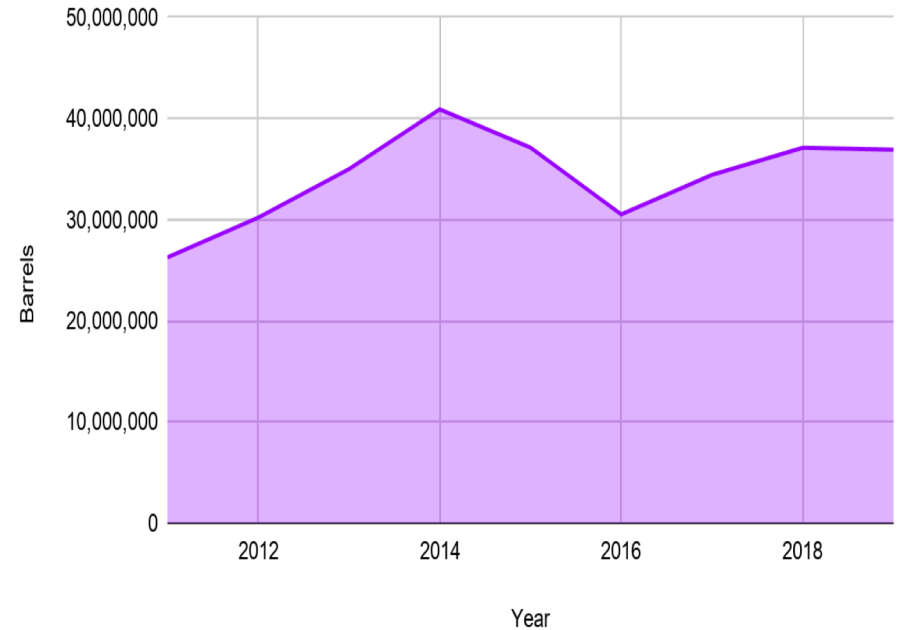


Oil Production Hasn't Offset Gas Production Declines

Utah Natural Gas Production



Utah Oil Production



Value of Oil and Gas Regulation



Our Duties Remain

- Address Current Obligations
- Continue Planning Forward Looking





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